0006



Michael O. Leavitt Governor Ted Stewart Executive Director James W. Carter Division Director

State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple 3 Triad Center, Suite 350 Salt Lake City, Utah 84180-1203 801-538-5340 801-359-3940 (Fax) 801-538-5319 (TDD)

November 21, 1994

TO:

Board of Oil, Gas and Mining

THRU:

James W. Carter, Director

FROM:

D. Wayne Hedberg, Permit Supervisor

RE:

Permitting Status Report, Geneva Steel, Iron Mountain Mine, M/021/008, Iron

County, Utah

This memorandum is intended to serve as an update to the Board considering the status of the permit review of Geneva Steel's consolidated and revised Iron Mountain Mine permit application. As you will recall, the Division has been diligently working with Geneva Steel to finalize the permit revision and consolidation of their outstanding permit application for their Iron Mountain mining properties in Iron County, Utah. From the beginning, the consolidation of the four older permits into a single updated permit, has proven to be a long, cumbersome, frustrating and arduous process. Geneva Steel and the Division have been doing their best to move the permitting process forward in as timely a manner as possible, since the decision to consolidate the permits was initially made. Unfortunately, neither we or Geneva Steel realized the difficultly or complexity of the permitting task we were undertaking. The older permits were approved (late 1970's and early 80's) under the pre-1988 rules and the permitting record/documentation was not as precise or complete as it could have been. The extensive and historic (pre-law) iron mining disturbances that are intertwined with the post-law mining operations have clouded and confounded our permitting efforts; thereby, adding to the delay. Verifying and/or clarifying previously approved variances and permit conditions under the older permits has also taken an inordinate amount of time to research and confirm.

During its January 26, 1994 hearing, the Board of Oil, Gas and Mining granted a time extension until December 31, 1994, for the Division and Geneva Steel to finalize this latest permitting action. Since that time, the Division and Geneva Steel have been moving forward trying to achieve the established deadline. We have made substantial progress and believe we are close to finalizing the permitting process. Because of the Thanksgiving and Christmas holidays, December 7, 1994 is the established hearing date for the combined November/December Board hearings. This has effectively reduced our permitting timeframe by approximately 30 days. In order to resolve the remaining permitting questions/concerns (principally variance requests and reclamation plan clarifications), grant tentative approval, and



Page 2
Board of Oil, Gas and Mining
Geneva Steel - M/021/008
November 21, 1994

receive the revised reclamation sextension of time to complete this

receive the revised reclamation surety amount, the Division and Geneva Steel will need an extension of time to complete this permitting action.

We will be forwarding our latest review response to Geneva Steel no later than the end of November 1994. We anticipate Geneva's response by mid to late January 1995. Assuming their response satisfies the remaining permitting issues, the Division should be prepared to issue its tentative approval by the end of February and request Board approval of the amount and form of reclamation surety, during its March 1995 hearing.

For your reference, we have prepared and attached a summarized version of the most recent permitting chronology for this mining operation. Thank you for the opportunity to provide you with this permitting status report. We appreciate your continued consideration, understanding and patience in this matter.

jb Attachment M021008.brm

Consolidated Mine Permit Application Chronology

M/021/008 - Iron Mountain Operations (November 22, 1994)

| October 16, 1991 | Letter to Geneva. On October 2, 1991, the Board approved of the interim |
|-------------------|---|
| | surety. (Interim Surety is to remain in place for 12 months). |
| April 1, 1992 | Geneva submits draft consolidated permit. |
| May 6, 1992 | Geneva submits surety bond estimate and supporting data. |
| May 20, 1992 | Letter from Geneva. Technical data submitted by Geneva for a final reclamation contract to supersede interim reclamation contract which runs until October 3, 1992. |
| October 20, 1992 | Letter to Geneva granting first extension of Board deadline due to the Division's delay in reviewing the consolidated permit. The deadline is extended until April 2, 1993. |
| March 15, 1993 | Division review (12 page letter) of Geneva's submission. |
| April 19, 1993 | Meeting between Division and Geneva personnel. |
| April 28, 1993 | Letter to Geneva. Board's second extension granted until December 31, 1993. |
| August 31, 1993 | Received Geneva submission dated August 23, 1993. |
| December 22, 1993 | Division review (18 page letter) of Geneva's August 23, 1993 submission. |
| January 18, 1994 | Meeting between Division and Geneva personnel to discuss the Division's December 22nd letter. |
| January 26, 1994 | Board granted third extension of interim surety until end of calendar year, 1994. |
| February 2, 1994 | DOGM letter to Geneva Steel informing of Board's extension until December 31, 1994. Also advised Geneva of need to have all remaining concerns resolved by October 1, 1994 to meet December hearing deadline. |
| February 10, 1994 | Second meeting between DOGM and Geneva personnel to complete discussions of the Division's December 22, 1993 review letter. |
| March 25, 1994 | Division performed site inspection to clarify or resolve the related permitting issues. |
| May 5, 1994 | Division and Board tour and inspections of Geneva's Iron Mountain mine property. |

Page 2 Chronology Geneva Steel M/021/008 November 18, 1994

August 3, 1994 Letter to Geneva describing status of consolidated permit application.

Division suggests Geneva respond to the December 22, 1993 letter by August

26, 1994, in order to meet the December 31, 1994 deadline.

September 9, 1994 Received Geneva's response to Division's December 22, 1993 review letter.

November 28, 1994 Division review of Geneva's September 9, 1994 revised submission.

jb 5:geneva-c.app